

HOUSE BILL 431

By DuBois

AN ACT to amend Tennessee Code Annotated, Title 65,
relative to gas utilities.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 65, Chapter 5, Part 1, is amended by adding the following language as a new, appropriately designated section:

§ 65-5-1__.

Rates for gas utility services are unjust and unreasonable when the utility's annual return on equity as determined by the authority exceeds ten percent (10%) and the utility's overall rate-of-return as determined by the authority exceeds ten percent (10%). This section shall not be construed as preventing the authority from finding that a gas utility is overearning if the gas utility's annual return on equity or the gas utility's overall annual rate-of-return is less than ten percent (10%). The authority shall annually adjust the maximum annual return on equity and the annual rate-of-return through rulemaking taking into account current market conditions.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.